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南戈壁資源有限公司*

(A company continued under the laws of British Columbia, Canada with limited liability)

(Hong Kong Stock Code: 1878)

(TSX Venture Exchange Stock Symbol: SGQ)

UPDATE ON PIK INTEREST PAYMENT OBLIGATION UNDER NOVEMBER 2022 DEFERRAL AGREEMENT

This announcement is made by SouthGobi Resources Ltd. (the “**Company**”) pursuant to Rule 13.09(2) and Chapter 14A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated November 17, 2023 (the “**November 17 Announcement**”) in relation to the waiver provided by JD Zhixing Fund L.P. (“**JDZF**”) of the Company’s payment obligations under the November 2022 Deferral Agreement. Unless otherwise specified, terms used in this announcement shall have the meaning as defined in the November 17 Announcement.

The Company announces that JDZF has agreed to extend the date upon which the Waiver is in effect in relation to the Waived PIK Interest Default from January 19, 2024 to April 30, 2024. Aside from the aforementioned extension, the other terms of the Waiver described in the November 17 Announcement remain in effect and unamended.

If there is any inconsistency or discrepancy between the English and Chinese version, the English version shall prevail.

By order of the Board
SouthGobi Resources Ltd.

Mao Sun
Lead Director

* For identification purposes only

Vancouver, January 19, 2024

Hong Kong, January 19, 2024

As at the date of this announcement, the executive directors of the Company are Mr. Ruibin Xu, Ms. Chonglin Zhu and Mr. Chen Shen; the independent non-executive directors of the Company are Mr. Yingbin Ian He, Mr. Mao Sun and Ms. Jin Lan Quan; and the non-executive directors of the Company are Mr. Zhu Gao and Mr. Zaixiang Wen.

Forward-Looking Statements

Certain information included in this press release that is not current or historical factual information constitutes forward-looking statements or information within the meaning of applicable securities laws (collectively, “forward-looking statements”), including information about the potential of further future deferrals of its payment obligations under the Convertible Debenture. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “could”, “should”, “seek”, “likely”, “estimate” and other similar words or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on certain factors and assumptions including, among other things, the Company’s ability to successfully fulfil its payment obligations of the November 2022 PIK Interest on or before April 30, 2024 under the Convertible Debenture and related November 2022 Deferral Agreement and the November 2022 Deferred Management Fees on or before August 31, 2024 under the Amended and Restated Cooperation Agreement and the related November 2022 Deferral Agreement, and other similar factors that may cause actual results to differ materially from what the Company currently expects. Actual results may vary from the forward-looking statements. Readers are cautioned not to place undue importance on forward-looking statements, which speaks only as of the date of this disclosure, and not to rely upon this information as of any other date. While the Company may elect to, it is under no obligation and does not undertake to, update or revise any forward-looking statements, whether as a result of new information, further events or otherwise at any particular time, except as required by law. Additional information concerning factors that may cause actual results to materially differ from those in such forward-looking statements is contained in the Company’s filings with Canadian securities regulatory authorities and the website of the Hong Kong regulatory filings and disclosures of listed issuer information. These can be found under the Company’s profile on SEDAR+ and HKEXnews respectively, at www.sedarplus.ca and www.hkexnews.hk.